

annually as would be produced by computing a tax of one-fourth of the current rate for city or village purposes upon such property so exempt from local taxation; provided, however, that the amount which any such city or village shall receive under this act shall not exceed more than \$5,000.00. Where the taxable value of all the real and personal property, exclusive of money and credits, subject to local taxation in any such city or village amounts to more than fifty per cent but not more than seventy-five per cent of the value of the property in and within two miles of the corporate limits thereof not subject to local taxation because taxes thereon are paid into the State treasury under the provisions of the gross earnings tax law, any such city or village shall be entitled to receive such an amount annually as would be produced by computing a tax of one-fifth of the current rate for city or village purposes upon such property so exempt from local taxation; provided, however, that the amount which any such city or village shall receive under this act shall not exceed more than \$10,000.00. And provided, further, that no city or village shall receive under the provisions of this act to exceed the sum of \$5.00 per capita."

Filed February 10, 1943.

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#### CHAPTER 23—H. F. No. 125

(AMENDING SECTION 48.24 MINNESOTA STATUTES 1941.)

*An act relating to restrictions upon the total liability to a bank of any person, corporation, or copartnership, including the liabilities of the several members thereof and amending Mason's Supplement 1940, Section 7677.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Law amended.**—Mason's Supplement 1940, Section 7677, is amended to read as follows:

**7677. Restrictions upon total liability of individuals to bank; first mortgage security; liability of officers; discounts; excess liability; penalty and civil liability.**—The total liabilities to any such bank, as principal, surety, or endorser of any person, corporation, or copartnership, including the liabilities of the several members thereof, shall never exceed 15 per cent of its capital actually paid in cash and of its actual surplus fund; provided, that for the purposes of this section the members of a family living together in one household shall be regarded as one person

and the total liabilities of the members of *the* family shall be limited as herein provided. Loans not exceeding 25 per cent of such capital and surplus made upon first mortgage security on improved real estate in the *state* or in an adjoining state within 20 miles of the place where the bank is located, shall not constitute a liability of the maker of the notes secured by *such* mortgages within the meaning of the foregoing provision limiting liability, but shall be an actual liability of *the* maker. *These* mortgage loans shall be limited to, and in no case exceed, 40 per cent of the cash value of the security covered by *the* mortgage. Commercial paper actually owned by the person negotiating the same, not exceeding 15 per cent of the capital stock and surplus, taken from any one person, shall not constitute a liability within the meaning of this act, but shall be an actual liability of the maker. The total liability of any officer or director shall never exceed ten per cent of the same aggregate amount. *Loans or obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that they are secured or covered by guarantees, or by commitments or agreements to take over or to purchase the same, made by any Federal Reserve bank or by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States.* The discount of the following classes of paper shall not be regarded as creating liability within the meaning of the section:

(1) Bonds, orders, warrants, or other evidences of indebtedness of the United States, of federal land banks, of this state or of any county, town, village, or school district in this state, or of the bonds of any other state in the United States, or bonds and obligations of the federal home loan banks established by act of congress known as the federal home loan bank act, approved July 23, 1932, and *acts* amendatory thereto, and in bonds and obligations of the Home Owners' Loan Corporation established by act of congress, known as the Home Owners' Loan Act of 1933, and acts amendatory thereto, in exchange for mortgages on homes, or contracts for deed, or real estate, held by it.

(2) Bills of exchange drawn in good faith against actually existing values.

(3) Paper based upon the collateral security of warehouse receipts covering agricultural or manufactured products stored in elevators or warehouses under either of the following conditions:

First—When the actual market value of the property covered by such receipts at all times exceeds by at least ten per cent the amount loaned thereon.

'Second—When the full amount of every such loan is at all times covered by fire insurance in duly authorized companies, within the limit of their ability to cover such amounts, and the excess, if any, in companies having sufficient paid-up capital to authorize their admission; and payable, in case of loss, to the bank or holder of the warehouse receipt, unless accompanied by a certificate of the railroad and warehouse commission declaring the warehouse issuing the same to be fireproof.

*When* a bank shall allow any person, copartnership, or corporation to become indebted to it, directly or indirectly, in excess of the amount, exclusive of interest permitted by the laws of this state, the officer or employee of *the* bank wilfully permitting or approving *the* loan shall be guilty of a gross misdemeanor and, in addition thereto, shall be personally liable to the bank for the amount of *the* loan in excess of the statutory limit.

Filed February 10, 1943.

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#### CHAPTER 24—H. F. No. 240

*An act authorizing certain cities of the fourth class and certain villages to appropriate money for the purpose of advertising and advancing their recreational or agricultural interests.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Certain cities and villages may appropriate money for advertising.**—The council of any village, or the council of any city of the fourth class, in any county of this state which now has, or which hereafter may have, not less than 75 per cent of its area located within the boundaries of federal forests, state forests, and Indian reservations may appropriate annually a sum of money, not exceeding \$300.00, for the purpose of advertising and advancing the recreational or agricultural interests of such city or village or the county in which such city or village is located.

Filed February 10, 1943.

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#### CHAPTER 25—S. F. No. 23

(AMENDING SECTION 555.09 MINNESOTA STATUTES 1941.)

*An act relating to declaratory judgment proceedings, amending Mason's Supplement 1940, Section 9455-9.*